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UNION PACIFIC RAILROAD CO.

A Semi-Annual Dividend of
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and a Dividend of
\$2.50 per share on the Common Stock

of this Company have this day been de-
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155 Broadway, New York, N. Y., on Tues-
day, April 1, 1919, stockholders of re-
cord as of 12 noon, Saturday, March 3, 1919.

For the purpose of the annual meeting
of the stockholders the stock transfer
books of this Company will be closed at
12 noon, Saturday, March 3, 1919, and will
be reopened at 10 A. M., Wednesday, April
3, 1919.

FREDERICK V. S. CHERRY, Treasurer.
New York, N. Y., February 13, 1919.

Wealth—Markets—Investments

TELEPHONES:
Beekman 3000
Beekman 8243

Finance - Economics

The stock market has now completed three weeks of advancing prices following a decline of four months. The greater part of the present rise has been based on the belief that the previous decline went too far, but part also seems to be due to the belief of a revival of trade this spring. In other words, Wall Street believes that war and peace are not the sole factors which determine business activity. There can still be seasonal movements of security prices to discount expected seasonal business activity. There has been criticism of the advance from the very beginning on the basis that the great rise has been in "specialties," and that speculators have taken in hand and bid up the price of one group after another. But these criticisms overlook that certain conditions must exist for professional speculators to do that profitably. Many of the day movements have been brought about merely by conditions within the market itself; it has been alternately "overbought" and "oversold," but the general tendency has continued upward. And the advance in the standard railroad shares on Friday and Saturday of last week, in spite of the uncertainty still overhauling the railroad industry, is one of the most hopeful signs.

People are bearish on the coppers because the readjustment in prices has come and bearish on the steel stocks because the readjustment hasn't come.

The symbol of Wall Street is in the circle. First is the mental idea, then the movement of prices, and then the idea again. The stock market has been going up. Nobody knows exactly why. Commentators say it foreshadows an improvement in business. A business man cannot see any improvement. But there is the stock market. What is he that should put his judgment against the combined wisdom of all others? He accepts the stock market. That makes him cheerful. He begins reading his newspaper with the idea of finding evidence of an improvement. The reaction on the speculation is identical. Nothing is more common than to hear speculators ask why the market is rising. They are a part of the market; they are the market. Yet they look upon the movement of prices as something outside of themselves. And when the stock market rises their opinions on the future of business undergo a subtle, insinuating transformation. They become more bullish, and as they become bullish they send prices higher and the stock market attracts more attention. And who shall dispute the judgment of the stock market?

One of the geographical curiosities of the present season is that Wall Street is at Palm Beach.

The investment market continues to wait upon definite knowledge of the exact rates of interest to be fixed for the various issues of short-term notes. Until these are known little activity can be expected. There was some selling of bonds last week by private individuals in order to put themselves in a position to meet the income tax payments called for before March 15, and there may be

some further selling for that reason in the two weeks ahead.

The money market started the week dramatically with the rise of call loans last Monday to 7 per cent. That was the highest rate since July, 1917. It is also interesting to note that last Saturday the excess reserve of the New York Clearing House banks had declined to \$16,800,000, the lowest since September 1, 1917. Last week the excess reserve increased by \$23,400,000. The 7 per cent rate did not hold, but for the remainder of the week the call money market was not only firmer than in the past, but rates on all other borrowing increased. Time money and commercial paper for periods from two to six months advanced from 4 to 4½ per cent. The rate on British Treasury notes in this market was raised from 5 to 5½ per cent. All these are indices of relative permanency of the higher rate. This firmness has not been brought about by any increased demands for funds from commercial sources, but almost solely by the demands of the government. The banks now hold some \$4,000,000,000 of Treasury certificates of indebtedness. Tax payments now due cause further demands for funds. Finally, there has been an increase in stock market activity. The belief is widespread that rates will continue firm, and that the shortage of credit may become even more pronounced until the coming Victory Loan is out of the way.

Market Barometers

Stock Exchange Transactions

	Stocks	Bonds	Other	All
Last w.k.	578,600	3,955,500	4,544,100	
Week bef.	368,400	3,281,100	3,649,500	
Year ago	295,700	2,842,100	3,137,800	

January 1 to date:

1919	2,707,200	22,410,400	25,117,600
1918	2,374,500	22,479,900	24,854,400
1917	4,147,700	24,019,400	28,167,100

Bonds

	Last week	Week before	Year before
U. S. Gov't	\$43,463,000	\$44,344,000	\$9,431,000
Railroads	4,954,000	3,460,000	4,054,000
Others	8,841,000	13,195,000	6,187,000
All bonds	\$57,258,000	\$60,999,000	\$19,672,000

January 1 to date:

U. S. Gov't	\$328,905,000	\$88,869,000
Railroads	35,860,000	31,679,000
Others	132,691,000	66,874,000
All bonds	\$497,456,000	\$187,222,000

Stock and Bond Averages

	Last week	Week before	High	Low
20 Railroads	72.05	71.35	71.35	70.55
30 Industrials	85.67	84.90	84.70	82.37
50 Stocks	80.16	79.48	79.36	77.70

Bonds

10 Railroads	80.93	80.48	80.77	80.61
10 Industrials	95.00	94.81	94.98	94.68
5 Utilities	85.62	85.64	85.80	84.94
25 Bonds	87.66	87.29	87.44	87.11

(Same week last year)

	High	Low
20 Railroads	80.93	80.65
10 Industrials	90.60	90.31
5 Utilities	86.82	86.46
25 Bonds	85.83	85.76

Stocks

	Jan. 1, 1919	Full year 1918
20 Railroads	72.50	68.70
30 Industrials	85.67	79.20
50 Stocks	80.16	75.32

	High	Low
20 Railroads	82.80	80.48
10 Industrials	95.00	93.72
5 Utilities	87.75	84.72
25 Bonds	87.88	87.07

87.66 87.07 89.46 83.63

City Bank Urges Extension of Large Credit to Europe

January Balance of Trade in Favor of United States Larger Than Foreign Production of Gold in 1918

If we hope to maintain our foreign trade at a high rate we shall have to extend credit to Europe on a huge scale. This is the point stressed by the National City Bank in its monthly circular, just issued. The bank calls attention to the January exports from this country of \$213,000,000, with imports of only \$213,000,000, leaving a balance in our favor of \$410,000,000, the highest monthly exports and favorable balance on record, and comments:

"It will be recognized by any one who understands the fundamental conditions of trade that balances like this are impossible as a normal and regular thing. A year's trade on that basis would create an aggregate balance of nearly \$5,000,000,000. There would be no real advantage to the creditor country in such a one-sided trade as a regular and permanent state of affairs. Trade is for the purpose of getting something that ministers to the welfare and comfort of the producers, either directly by obtaining goods of common consumption or by obtaining something that will be of service to them in production or as a reserve in the future. There is no gain in piling up foreign balances which can never be brought to this country.

Exports Should Be Large

"The trade balance in favor of the United States in the month of January exceeds in value the total production of gold in the world last year outside of this country; so, of course, such balances will not be paid in gold. How then will they be paid? It is a pressing question, for while it is both impossible and undesirable to have such trade balances permanently it is from every standpoint desirable that our exports should be as large as we can make them until Europe has recovered its normal productive capacity and industry in this country has recovered its balance.

Holding On to U. S. Issues

"There are still some American securities in Europe, but the holders, who have hung on until now, probably are intending to keep them. Aside from the sale of those remaining American securities there is no way of creating credit here except by selling European securities in this market or by borrowing direct of individuals or banks. Even the \$1,000,000,000 of credit which the pending bill would allow the War Finance Corporation to issue would cover only two and one-half months of such trade balances as this in January. "Our people have been eagerly speculating upon Europe's inclination to buy, but the actual limiting factor in the means of making payment."

The bank remarks that "the general feeling about the outlook for business this year is at least as good as it was a month ago, and on the whole probably better."

Canada May Arrange

For Permanent Loan

Instead of Selling Bonds to the Public Government May Go to Banks

TORONTO, March 1. — Canadian banks which are well supplied with funds for loaning purposes anticipate a slack period in the loan market. Because the actual limiting factor in the means of making payment, the bank remarks that "the general feeling about the outlook for business this year is at least as good as it was a month ago, and on the whole probably better."

There are three ways by which the government's impending liabilities may be met. It is hoped that Great Britain will meet part of its trade debt to Canada by placing a credit in New York in favor of Canada early this year of several hundred millions. This would cover our note and largely our trade obligations in the United States. It is anticipated in some circles that the Dominion government will offer another loan to the people this summer. But this will be obsolete, however, if as a banker suggests the government arranges a permanent loan with Canadian banks.

Banker Calls on Business Men to Broaden Viewpoint

Deplores Lack of Political Intelligence and Says Understanding of Economic Problems Is Necessary

Francis H. Sisson, vice-president of the Guaranty Trust Company, in speaking Friday before the members of the Bond Club at the Bankers Club on the political aspects of finance and business, urged the investment bankers to assess more thoroughly the effect of general social, political and economic movements on the fundamental values of securities.

The thought which the banker emphasized was that bond men in the complexity of modern life cannot "card-index" their business activity and consider it as a thing apart from other dynamic tendencies. The pit of his idea was expressed thus: "It is not sufficient to know that a certain corporation has earning power and has franchise values and has business prospects in the way of expanding opportunity, unless there is behind that an awakened public opinion, and a public opinion that is based upon sound economics."

Needed—Political Intelligence

"The business opportunity," Mr. Sisson added, "means nothing, unless we have coupled with it political intelligence which makes it possible. We look into our own city here, and we discuss the cost of transportation and the economic problems that are involved in public utility problems generally, but what good is the understanding of the economic problems if you have sitting in legislative and administrative halls a degree of political intelligence that absolutely nullifies it, which defies economic law, which refuses to recognize cost of production and cost of service as a basis of price?"

"So I may say that you bond men, who buy and sell issues, have got to consider in all of these situations more than the carrying power or franchise value or business opportunity, or the trade development that may follow in any given field; you must consider the political angle, which, sooner or later, in the form of government determines the value upon which your security rests. We see rising up all over the world this tide of individualism, which has affected every form of business opportunity and business service; and unless we, as business men, attempt to understand and interpret, and by the grace of God, guide the American people through this tide, it is going to affect the fundamental values in which we all deal."

"We talk about foreign investment, and right at our elbow, in the country of Mexico we see billions of dollars of American money and hundreds of millions of American lives in jeopardy, because our government has been absolutely refused to extend anything like a protective interest in that situation. We cannot expect to take our position in the economic world unless we put into political battle the same kind of intelligence that enters into our business organization."

The President's Power

"Whatever may be our attitude toward our worthy President, we must admit that he is a powerful man, and that he is sitting in the seats of the mighty to-day, with vast business issues in his hands. And there again the political angle is having a very important effect upon our business future, and we as business men should study that angle and have intelligent opinion about it, and be able to go through our duly accredited representatives, intelligently that our business may be protected and conserved. "If there were to be any one criticism made of the American people as a people it is that though we have organized a democracy here we do not function as a democracy in many important instances, and we allow economic fallacies of all sorts to creep into legislative enactment. We allow economic fallacies to have political importance, which, if we gave them the attention they deserved and realized the bearing that they ultimately have on our own pocket-books, we would be quick to correct in their inception, rather than to fight them in their fruition; and it seems that is the message of this hour, if ever in the history of the world."

"We have had bright ideals of making the world safe for democracy and there has been very little said about making democracy safe for the world; and if democracy is to be made safe for the world, the business men of America have got to do an important part in that task, and I do not know any place in the world where such education can be distributed to better advantage than in New York City, and among the men, such as you, who mingle with the community and who have the message in your own minds to deliver."

New York Bank Stocks

	Bid	Asked	High	Low
American	610	610	610	610
Atlantic	185	185	185	185
Am. Exch.	225	225	225	225
Batavia	220	220	220	220
Bowling	420	420	420	420
Brooklyn	140	140	140	140
Butch & D.	120	120	120	120
Chase	340	340	340	340
Cit. & Tr.	225	225	225	225
Com. & Tr.	225	225	225	225
Commercial	300	300	300	300
Equitable	180	180	180	180
First Nat.	180	180	180	180
Fourth Nat.	200	200	200	200
First Nat.	180	180	180	180
Garfield	180	180	180	180

Trust and Surety Companies

	Bid	Asked	High	Low
Alliance	180	180	180	180
Am. Surety	180	180	180	180
Central	180	180	180	180
Com. & Tr.	180	180	180	180
Equitable	180	180	180	180
First Nat.	180	180	180	180
Fourth Nat.	180	180	180	180
First Nat.	180	180	180	180
Garfield	180	180	180	180

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